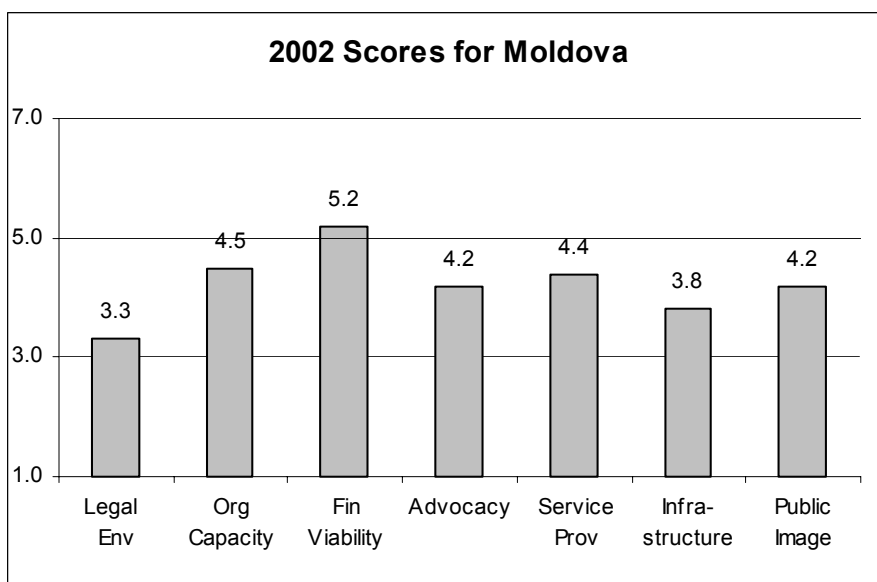


# MOLDOVA



**Capital:**  
Chisinau

**Polity:**  
Parliamentary  
democracy

**Population:**  
4,434,547

**GDP per capita  
(PPP):** \$2,550

## NGO SUSTAINABILITY: 4.2

Moldova is the second smallest of the former Soviet states and is among the poorest countries in Europe. As of February 1, 2002, there were approximately 2,800

### NGO SUSTAINABILITY

2002	4.2
2001	4.2
2000	4.6

NGOs registered in Moldova. Sixty-five percent of these are national NGOs, which work primarily at the country level.

The remaining 35% work at the local level. The majority of registered NGOs are located in Chisinau, including most national organizations, although there has been a noticeable increase in the relative number of local NGOs active in other areas since 1997.

According to the CONTACT Center's 2002 Study on the Development of Non-Governmental Organizations in the Republic of Moldova, only 53% of registered NGOs declared themselves active last year, primarily those located in the larger cities. This geographical concentration can be explained by the fact that NGOs in these communities have benefited to a greater extent from access to resource centers and donor support. The areas of activity in which NGOs have achieved the greatest success to date include: ecology, youth, agricultural associations, mass media, gender studies, local public administration, human rights, and economic and social development.

### LEGAL ENVIRONMENT: 3.3

The basic legislation that regulates NGO activity in the Republic of Moldova includes a 1996 Law on Public Associations,

#### LEGAL ENVIRONMENT

2002 3.3  
2001 3.0  
2000 3.0

a 1999 Law on Foundations, and a 1995 Law on Philanthropy and Sponsorship. A new Civil Code came into effect

January 1, 2003, which contains new regulations that apply to all registered organizations. These include the definition of non-commercial organizations; the classifications of Associations, Institutions and Foundations; and a prohibition against conflicts of interest in non-commercial organizations. The norms that regulate the establishment and registration of NGOs are clear, and the procedures for the institution and registration of public associations is the same for both national and local NGOs.

At present, the only tax benefit which public associations receive is an exemption from income tax. All other taxes are paid by NGOs at the same rate as commercial organizations.

NGOs are allowed to engage in commercial and economic activities, both directly and through the establishment of commercial subsidiaries. The income obtained from these activities however, cannot be distributed to founders, members or to the employees of the NGO and are to be used solely for the achievement of the NGO's statutory goals.

Unfortunately, during 2002 harassment by State officials increased slightly. For example, the Ministry of Justice started a campaign against Public Associations in order to control and liquidate some inconvenient NGOs. In addition, NGOs in some counties experienced problems registering with the local government.

### ORGANIZATIONAL CAPACITY: 4.5

Few NGOs in Moldova have clearly identified groups of beneficiaries and even fewer organizations undertake activities designed to educate them. There are,

#### ORGANIZATIONAL CAPACITY

2002 4.5  
2001 4.5  
2000 4.5

however, some organizations such as Junior Achievement Moldova, National Federation Agro-inform, European Movement, Inde-

pendent Journalism Center, and CONTACT Center that organize training programs for their beneficiaries.

Few organizations possess a clear mission or a well-defined strategic plan. The majority of organizations prefer to remain flexible with regard to their mission. Most NGOs work primarily on a voluntary basis and more than half of them (55%) have no permanent employees.

The physical and technical infrastructure of the NGO sector is largely underdeveloped and most NGOs function without basic organizational facilities such as a permanent office, office and computer equipment, communication facilities, etc. While this absence of resources impacts the efficiency of NGO activity, most organizations do what they can to work around these constraints.

## FINANCIAL VIABILITY: 5.2

The financial resources available to NGOs in Moldova consist of: grants, membership fees, sponsorship, founders' contributions,

### FINANCIAL VIABILITY

2002	5.2
2001	5.3
2000	5.5

fees earned for services provided, state allowances, and income from entrepreneurial activities. The largest of these available funding sources continues to be grants, membership fees and sponsorship. Service fees, state allowances, and earnings from economic activities cover only 8% of NGO budgets.

The greatest problem with the NGO sector's viability is the limited availability of local support. Few national organizations receive significant financial support from their local communities. Nevertheless, during 2002, some local organizations increased their visibility in their communities and began to generate limited local financial support. In rural communities, locally raised funds cover at least 10% of the

budgets of community-based organizations.

Few NGOs have financial management systems that ensure efficient and transparent operations of their organizations. According to the CONTACT study, 70% of NGOs judge their operations to be transparent, though only 30% prepare annual reports, and only 25% make these reports available to the public. Only 23% of NGOs prepare financial reports, of which only 12% make them public. Even fewer organizations conduct regular audits of their financial activities.

NGOs do not have sufficient capacity to develop a diversified base of support or to engage in public fundraising campaigns. A chronic lack of funds restricts the programs of about two-thirds of Moldovan NGOs. The recent CONTACT study showed that only slightly more than one-third of Moldovan NGOs are able to cover completely their annual expenses.

## ADVOCACY: 4.2

The quantity and quality of NGO-government relationships has increased. However, relations between NGOs and local authorities are not usually based on a mutual understanding of the benefits that can be obtained by promoting civil society

### ADVOCACY

2002	4.2
2001	4.2
2000	5.0

values and engaging civil society in solving social problems.

The lobbying capacity of most Moldovan NGOs is modest. However, a small handful of NGOs has substantial lobbying capacity, due primarily to personal relation-

ships with authorities in the government and/or members of parliament. Successful lobbying campaigns over the past year include the adoption of laws on public associations, foundations, access to environmental information, access to public information, charity and sponsorship, and modification of election legislation. Despite these successes, the part played by NGOs in the legislative reform process is still very small, due to the rigidity of the present government and a lack of constructive dialogue with civil society, and the limited capacities of NGOs to make relevant technical contributions.

## SERVICE PROVISION: 4.4

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Moldovan NGOs offer a wide variety of services in various fields, including education, health, human rights, and economic development. Those organizations

### SERVICE PROVISION

2002	4.4
2001	4.5
2000	5.0

that specialize in one specific field are generally able to focus their activity on a specific group of beneficiaries. Examples of such NGOs include the Association of Accountants and Auditors, AGRO-INFORM, and Angelus Moldova. Most local organizations, however, especially community-based NGOs, are oriented more broadly toward solving local problems and are less likely to have a clear idea

or definition of their constituency and beneficiaries.

A small number of Moldovan NGOs, including ACAP and the Association of Professional Accountants and Auditors, offer fee-based services and quality professional training programs. 70% of NGOs that offer services, however, offer them for free.

Most Moldovan services NGOs don't attempt to build a large membership or client base. Many, in fact, attempt to limit the size of their customer base, due to budgetary constraints. Few NGOs provide paid services, and very few clients are capable of paying for services at their cost of delivery.

## INFRASTRUCTURE: 3.8

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Moldovan NGOs benefit from a large network of NGO resource centers that offers a wide range of training, consulting, information services and technical assistance. The network of CONTACT Centers works

### INFRASTRUCTURE

2002	3.8
2001	3.8
2000	4.0

on the national, regional and local levels, and offers services to organizations working in many different sectors of civil society. There are also a number of specialized resource centers that work with NGOs in certain sub-sectors, including human rights, environment and youth. Despite the significant number of resource centers in the country, organizations from regions such as Ungheni, Lapusna, Orhei and Tighina have limited access to the services offered by these groups as a result of distance and limited access to modern communication technologies.

There are no local financing institutions or indigenous community foundations in Moldova. A group of NGOs, however, have started to re-grant money from international programs and foundations.

Moldovan NGOs have succeeded in forming coalitions, both formal and informal that promote the interests of NGOs that work in the social field and in the sphere of rural economic development. In addition, NGO representatives from across the country meet every other year at the National Forum of NGOs to discuss issues of sectoral importance.

A number of organizations offer training services. The CONTACT Centers have their own teams of trainers, who offer training in organization management, strategic planning, proposal writing, fundraising, public relations, organizational culture, board development, financial management, human resources management and volunteer management. Training materials

are available in Romanian and Russian, and are sometimes even available in local languages such as Ukrainian, Bulgarian and Gagauz.

Most NGOs are willing and able to collaborate with local institutions such as the local

public administration, mass media, private companies and the church, though less often with political parties and trade unions. Such partnerships are common on the local level, as well as the regional and national level.

**PUBLIC IMAGE: 4.2**

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In general, NGOs are beginning to enjoy more positive coverage in local mass media. Although the independent print media

PUBLIC IMAGE	
2002	4.2
2001	4.3
2000	5.0

that covers civil society has a limited circulation in rural areas, radio and TV stations with national coverage

have also started producing civil society programs. Some negative coverage, however, also persists in the governmental press, particularly on such issues as the trafficking of women and humanitarian aid.

There has been a slight improvement in the public perception of NGOs over the last year. According to the CONTACT study, there has been a 4% increase in the number of those who have relative trust in NGOs. There has also been a significant step forward in NGO and local government

relationships, indicated by an increase in local government grants to grassroots organizations. In general, the business community still remains unaware of the role that NGOs play in the society, and few see NGOs as a resource for consultation and information, although this small number is rising.

Moldovan NGOs are able to turn to local mass media in promoting their image and programs. Surveys show that 78% of NGOs cooperate with media and are generally satisfied with their level of cooperation. However, only elite NGOs tend to view public relations as a priority among their activities and few have a clear-cut public relations strategy. The 3rd National NGO Forum drafted a Code of Ethics, but it has been left to the discretion of individual NGOs whether or not to adopt it. No NGOs are known to have adopted it yet.